

Minutes of the Council on Technology Services Meeting Wednesday, January 20, 1999

Council Attendees: Secretary Don Upson, Erv Blythe, Cheryl Clark, Ray Davis, Jan Fatouros, Patti Higgins, Joy Hughes, Peter Kolakowski, Bill Landsidle, Polley McClure, Ken Mittendorff, David Molchany, Ed Morris, Lab Neugent, Mike O'Neil, Gerald Pacyna, Rick Parks, Jim Peters, Jerry Simonoff, David Sullivan, Mike Thomas, Paul Timmreck, Lewis Vass.

Other Attendees: Linda Harber, Pat Jackson, Nazeem Reza, Keith Segerson, Andy Poarch and Jamie Breeden.

Secretary Upson called the meeting to order at 9:00 a.m.

Secretary Upson introduced Boyd Marcus, Governor Gilmore's Chief of Staff. Mr. Marcus made the following remarks to the Council:

The Governor has made it very clear that information technology is important to him and has demonstrated that commitment through the appointment of Secretary Upson, the Council on Technology Services and the Commission on Information Technology. COTS is accomplishing important work for the Commonwealth and the Administration. The Governor will be elected Chairman of the new Internet Advisory Commission to the U.S. Congress to study the question of Internet taxation. It is another example of his high-profile commitment.

COTS will be reshaping what goes on inside state government and will determine policies to accomplish these goals. We have a responsibility to the Commonwealth to deliver efficient, effective service and, in the next decade, you will be the cutting edge of that. We are offering people an opportunity to be more involved in government, to understand what government is doing and to supply services to the citizens in a way they have never been able to reach. That's our goal.

Secretary Upson has briefed the Cabinet about the workgroups, about the progress the Council has made on a number of issues, one of which we are in the process of putting on the fast track, in terms of discussion of the acquisition of technology. We have not made a final decision, but it is being focused on now.

The Council has a lot more to do. The Administration's goal is for Virginia to lead the way. We expect our agency heads to provide the necessary support and to know what's going on with technology in their areas. Specifically, in regard to the Y2K problem, we

expect every one to be compliant by the end of the year. We have to be ready. I have worked with Bette Dillehay in reviewing agencies' Y2K progress reports and she has direct access to me whenever she chooses, and we are 100 percent behind her efforts in getting this done.

I have great confidence the Council will meet these goals and the Governor is committed to making this happen. We can do things in Virginia that are not done elsewhere. By working together, we will have success. The Administration supports the Council's work 100 percent. Thank you all very much.

Secretary Upson thanked Boyd Marcus and asked the workgroup chairs to highlight their recent meetings.

Linda Harber is chair of the IT Compensation and Classification workgroup. In order to meet Secretary Upson's technology goals and those discussed by Mr. Marcus, the state needs to recruit and retain the best and most proficient IT professionals to get the work of the Commonwealth done. The workgroup is exploring the DPT classification plan and low-cost or no-cost initiatives to streamline the hiring process of IT professionals.

There has been discussion to immediately move the state into a new classification and compensation system with the hope of obtaining the necessary funding. The decision brief that was distributed addresses immediate actions that can be taken to relieve problems in recruitment and retention.

The first recommendation, which costs nothing, is to forego agency head or secretary-level approval for hiring critical IT positions. As vacancies occur, an agency will post the position without formal approval to hasten the recruitment process. The second recommendation is the use of recruitment and retention tools for hiring. If the Council approves the workgroup's recommendations, DPT could draft policies and agencies would be able to use their funds to support these practices. A third issue is the review of the classification and compensation structure. DPT has assembled a hybrid approach that combines the workgroup's IT classification pilot and a revised approach for the state. In order to implement this process across the board, \$11,000,000 is needed. The workgroup plans to return to the Council with a financial package to support this approach. Paul Timmreck reported the Committee has actually agreed on the proposal and would include the reclassification system and the request for funds.

Mike Thomas suggested looking at several ways to fund this system over time. The need for this policy is urgent and if we begin the process now and its implementation, then more agencies would have the same flexibility as VCU.

Secretary Upson would like to see the Council move forward with the cooperation of DPT, to initiate a major policy that establishes a standard for IT compensation. It will require working with the Governor and the legislature to develop an initiative.

Mike O'Neil suggested adopting recommendation two regarding short-term and smaller initiatives. It may be effective in maintaining peoples' faith that the state is doing something in the short term.

Jan Fatouros would like DPT to evaluate regrades in order to provide increases in an individual's compensation within their current grading structure for additional skills and abilities.

Linda Harber said DPT is working on an in-range adjustment policy.

Bill Landside has used the DPT policy to counteroffer external job offers when they are received in writing or believed to be valid. DOA has used this process 13 times and retained all 13 employees. It cost the agency several hundred thousand dollars but the decision was made and other expenses were cut. There is a need for a 2000/2002 study and for a major initiative for that timeframe. Agencies cannot afford to sit and wait for magic funding to appear.

Mr. Morris commented on the recommendation of the exemption of IT positions. He is not in favor of exempting the agency heads in the approval process.

Ms. Harber says the workgroup proposes establishing a relationship between the IT administrative head and the agency head to discuss staffing needs and to streamline the process.

Mr. Morris has observed variations from agency to agency. In smaller agencies, it may go to the top while in larger agencies, authority is delegated to the agency head. As a principle, the Council should not tell an agency head he can't decide which positions to fill or not to filled in the agency.

Mike Thomas suggested that the agency head could delegate the approval of hiring to any employee.

Secretary Upson wants the Council to tell management that technology is important and decisions have to be made quickly. He is willing to go to the Cabinet and raise the consensus of the Council. The lost rates for technology professionals in state government and the costs are staggering when the Commonwealth loses IT professionals.

After further discussion, Secretary Upson, recommends approving the committee's language, as written, and having the committee draft a directive for the Governor or Chief of Staff to send to the agencies that exempts secretarial approval and designates a specific time period to complete the process.

Mike O'Neil moved for the approval of the language as written and Joy Hughes seconded. The motion passed.

Paul Timmreck suggested the Council work with DPB and the money committee staff on the Appropriation Act language that references the economic contingency to allow flexibility in trying to tap monies, if necessary.

Mr. Thomas asked if the workgroup is going to continue working with DPT to get the policy or mechanism in place. Meanwhile, the Council can move ahead and determine exactly how it would be applied to each agency.

Pete Kolakowski chairs the Seat Management/PC Leasing workgroup. The group is developing a committee charter and will present a recommendation to the Council that can be rolled into the next biennium budget.

Secretary Upson asked the University people a question about the equipment trust fund language.

Ms. Hughes said the universities purchase most of their equipment through this fund and since it is money the state borrows, the equipment must be tracked for five years. The Seat Management workgroup has questions whether it is advisable to ask for legislative approval to conduct pilots using vendors who are either prequalified in Virginia or through GSA. Some universities are concerned their seat management RFPs would be challenged.

Secretary Upson suggested meeting later in the day with Delegates May and Plum on the language to be used in a legislative proposal. Both have an interest in pursuing this proposal.

Mr. Landside is a member of the Treasury Board and believes the equipment trust fund it not the proper vehicle for what the workgroup is trying to accomplish. He believes the best language would be direction to the Treasury Board to look at alternative funding vehicles, which the Treasury Board can do under its own authority and to explore other ways to finance lease purchases and seat management initiatives. Then the question will be whether the investment community wants to partake. The Treasury Board has broad authority to do this, and if they had direction from this group or legislative sanction, they would move forward.

After further discussion on the equipment trust fund, Mr. Landside said the Treasury Board would welcome input from COTS as to what it is seeking. Then the Board can go to the marketplace and explore what's available for the universities. Mr. Landside suggested the higher-ed community develop a proposal or bullet point to cure problems such as the obsolescence issue. It would be a good starting point for the Board.

Secretary Upson would like a general resolution he can take to JCOTS for consideration.

Mr. Kolakowski said the committee is arranging for a presentation by the Treasury staff to ask questions about security and obsolescence.

Secretary Upson would like to take suggested language to JCOTS and inform them the Council has met with the Comptroller. JCOTS would appreciate direction from the COTS Council as they are a willing partner in this endeavor.

David Sullivan and David Molchany are co-chairs of the Single Pipeline/Systems Sharing Workgroup. The group met and decided a more appropriate name would be "State and Local Application and Network Integration." The workgroup reviewed two initiatives: network integration and application integration. The group will bring policies and recommendations to the Council in each area. There is more common ground between state and local IT people than problem areas and there are many advantages to working together. On the application side, there is a need by localities for broader participation. The group would like Mike O'Neil to suggest a participant from DSS since it's an area where both localities and the state are involved.

The group discussed working to better integrate applications and to avoid the duplication of data by agencies and localities. In many cases, every locality runs a system to provide a particular service. If network integration is successful, one locality may provide a particular application to a number of localities that could all share the same technology.

Mr. Sullivan discussed the standards issue and how localities have complained about the different standards coming from various agencies. The problem is more pronounced on the locality side. In an agency like Social Services there are different platforms and different software and the same is true in community services. There is a failure to take advantage of combined buying power in the marketplace. The discipline of a single way of doing business is lacking. It will take discussion among this group to adopt such disciplines.

Rick Parks and the Gainsharing Partnerships workgroup met and established the third Friday of each month as a standard meeting time. A mission statement has been developed and is indicated on the handout.

The workgroup has proposed several initiatives and would like Council's feedback. The first initiative is the need for a common architecture for state agencies, educational institutions and local governments to enter into partnership arrangements. No mechanism is currently in place where the three groups can enter into a partnership arrangement. Second, the Commonwealth needs to utilize its purchasing power by including all agencies, educational groups and local governments in purchasing decisions. Third, the need for better coordination and communication among state agencies by creating IT workgroups in each Secretariat. As an example: CIOs and local governments get together quarterly to update each other and to address problems. State agencies do not have a communication vehicle to address this issue. Fourth, the need for increased communication between state agencies, education and local governments. Fifth, the need to leverage the resources of state and local governments and higher education and given regions to provide support and assistance to others. This is a concept from the colleges.

Ms. Hughes discussed a project with Fairfax City where the school board wants to put, in every student's home, a thin client computer so that the students and the parents can be in electronic communication with teachers and counselors. They came to us and we worked with the private sector and put together a

group and now it's going to happen. We have six pilot schools that are starting next month.

Mr. Parks said the group is exploring a method to identify and get best practices to state agencies, education and local governments. The Secretary's website may be a good location to collect and disseminate the information. The final initiative is take steps to promote better administration of the technology fund administered. The workgroup requests feedback as it begins developing these initiatives.

Secretary Upson would like to focus on procurements and separating them into component parts to explore whether they can be established, government-wide, for pre-qualifying companies to give them the incentive to look at government functions and agencies. This is critical and can be used to determine whether a model can be reproduced in other area of state government. He believes there is an opportunity for the state to leverage expenditures and create performance incentives on both sides.

Cheryl Clark is chair of the Data Security/Citizen Privacy workgroup and the first meeting will be February 27.

Jerry Simonoff discussed the Organizational workgroup and two issues it is pursuing. One is organization in the sense that: How do we make sure that the resources, the personnel and the decision-making responsibilities are placed at the appropriate levels within an enterprise that's as diverse and diffuse as state government? The second: What kind of IT architecture would be appropriate for the state, recognizing that we are highly decentralized, yet there are some common architecture elements that we ought to develop. The workgroup is also looking at best practices that are emerging and the issues the state will have to address in regard to organization and infrastructure. Specific recommendations for best practices will be brought to the Council for discussion.

Jan Fatouros talked about the Procurement Workgroup and its focus on the timely delivery of IT goods and services. Several contributing factors are the complexity of procurements, the lack of standards and setting statewide IT priorities. The group intends to propose a recommendation to look at the responsibilities of each stakeholder within the delivery of IT services: the IT community, COTS, the functional business role of users, the buyers' role and the vendors' role. The group will define responsibilities, determine a model for how each stakeholder will participate in state procurements and develop a process for setting the priorities for statewide initiatives.

Secretary Upson is pleased with the quality work the Council is performing. This group is having an impact, both inside and outside of government. Secretary Upson introduced Steve Cannon from the Council for Excellence in Government. Virginia is one of the only state government members in the organization. Steve will be attending the COTS Meetings and exploring ways the Council can benefit from his help and involvement.

Secretary Upson adjourned the business portion of the meeting at 10:35 a.m.